Deduction in respect of expenditure on production of feature films.

272. (1) In computing the profits and gains of the business of production of feature films carried on by a person (herein referred to as the film producer), the deduction in respect of the cost of production of a feature film certified for release by the Board of Film Censors in a tax year shall be allowed in accordance with the provisions of sub-rules (2) to (4).

(2) Where a feature film is certified for release by the Board of Film Censors in any tax year and in such tax year,—

(*a*) the film producer sells all rights of exhibition of the film, the entire cost of production of the film shall be allowed as a deduction in computing the profits and gains of such tax year; or

(*b*) the film producer—

(*i*) himself exhibits the film on a commercial basis in all or some of the areas; or

(*ii*) sells the rights of exhibition of the film in respect of some of the areas; or

(*iii*) himself exhibits the film on a commercial basis in certain areas and sells the rights of exhibition of the film in respect of all or some of the remaining areas,

and the film is released for exhibition on a commercial basis at least ninety days before the end of such tax year, the entire cost of production of the film shall be allowed as a deduction in computing the profits and gains of such tax year.

(3) Where a feature film is certified for release by the Board of Film Censors in any tax year and in such tax year, the film producer—

(*a*) himself exhibits the film on a commercial basis in all or some of the areas; or

(*b*) sells the rights of exhibition of the film in respect of some of the areas; or

(*c*) himself exhibits the film on a commercial basis in certain areas and sells the rights of exhibition of the film in respect of all or some of the remaining areas,

and the film is not released for exhibition on a commercial basis at least ninety days before the end of such tax year, the cost of production of the film in so far as it does not exceed—

(*i*) the amount realised by the film producer by exhibiting the film on a commercial basis; or

(*ii*) the amount for which the rights of exhibition are sold; or

(*iii*) the aggregate of the amounts realised by the film producer by exhibiting the film and by the sale of the rights of exhibition,

shall be allowed as a deduction in computing the profits and gains of such tax year and the balance, if any, shall be carried forward to the next following tax year and allowed as a deduction in that year.

(4) Where, during the tax year in which a feature film is certified for release by the Board of Film Censors, and the film producer—

(*a*) does not himself exhibit the film on a commercial basis; or

(*b*) does not sell the rights of exhibition of the film,

no deduction shall be allowed in respect of the cost of production of the film in computing the profit and gains of such tax year and entire cost of production shall be carried forward to the next following tax year and allowed as a deduction in that year.

(5) Irrespective of anything contained sub-rules (1) to (4), the deduction under this rule shall not be allowed unless,—

(*a*) in a case, where the film producer—

(*i*) has himself exhibited the feature film on a commercial basis; or

(*ii*) has sold the rights of exhibition of the feature film; or

(*iii*) has himself exhibited the feature film on a commercial basis in some areas and has sold the rights of exhibition of the feature film in respect of all or some of the remaining areas,

the amount realised by exhibiting the film, or the amount for which the rights of exhibition have been sold or, as the case may be, the aggregate of such amounts, is credited in the books of account maintained by him in respect of the year in which the deduction is admissible; or

(*b*) in a case, where the film producer has transferred the rights of exhibition of the feature film on a minimum guarantee basis, the minimum amount guaranteed and the amount, if any, received or due in excess of the guaranteed amount, or where the film producer follows cash system of accounting, the amount received towards the minimum guarantee and the amount, if any, received in excess of the guaranteed amount, are credited in the books of account maintained by him in respect of the year in which the deduction is admissible.

(6) Where the Assessing Officer is of the opinion that—

(*a*) the rights of exhibition of the feature film have been transferred by a mode not covered by this rule; or

(*b*) having regard to the facts and circumstances of the case, it is not practicable to apply the provisions of this rule,

he may allow deduction in respect of cost of production of the film in such other manner as he may consider suitable.

(7) For the purposes of this rule,—

(*a*) sale of the rights of exhibition of a feature film includes the lease of such rights or their transfer on a minimum guarantee basis; and

(*b*) the rights of exhibition of a feature film shall be considered to have been sold only on the date,—

(*i*) when the positive prints of the film are delivered by the film producer to the purchaser of such rights; or

(*ii*) when the negative of the film is delivered by the film producer to the film distributors defined in rule 273, where in terms of the agreement between the film producer and the film distributor, the positive prints are to be made by the film distributor.

(8) In this rule,—

(*a*) "Board of Film Censors" means the Board of Film Censors constituted under the Cinematograph Act, 1952 (37 of 1952); and

(*b*) "cost of production", in relation to a feature film, means the expenditure incurred on the production of the film, not being—

(*i*) the expenditure incurred for the preparation of the positive prints of the film; and

(*ii*) the expenditure incurred in connection with the advertisement of the film after it is certified for release by the Board of Film Censors,

and the cost of production of a feature film shall be reduced by the amount of subsidy received under any Government scheme, where such amount has not been included in the total income of the assessee for any tax year.

Deduction in respect of expenditure on acquisition of distribution rights of feature films.

273. (1) In computing the profits and gains of the business of production of feature films carried on by a person (herein referred to as the film distributor), the deduction in respect of the cost of acquisition of a feature film certified for release by the Board of Film Censors in a tax year shall be allowed in accordance with the provisions of sub-rules (2) to (4).

(2) Where a feature film is acquired by the film distributor in any tax year and in such tax year,—

(*a*) the film distributor sells all rights of exhibition of the film, the entire cost of acquisition of the film shall be allowed as a deduction in computing the profits and gains of such tax year; or

(*b*) the film distributor—

(*i*) himself exhibits the film on a commercial basis in all or some of the areas; or

(*ii*) sells the rights of exhibition of the film in respect of some of the areas; or

(*iii*) himself exhibits the film on a commercial basis in certain areas and sells the rights of exhibition of the film in respect of all or some of the remaining areas,

and the film is released for exhibition on a commercial basis at least ninety days before the end of such tax year, the entire cost of acquisition of the film shall be allowed as a deduction in computing the profits and gains of such tax year.

(3) Where a feature film is acquired by the film distributor in any tax year and in such tax year, the film distributor—

(*a*) himself exhibits the film on a commercial basis in all or some of the areas; or

(*b*) sells the rights of exhibition of the film in respect of some of the areas; or

(*c*) himself exhibits the film on a commercial basis in certain areas and sells the rights of exhibition of the film in respect of all or some of the remaining areas,

and the film is not released for exhibition on a commercial basis at least ninety days before the end of such tax year, the cost of acquisition of the film, in so far as it does not exceed—

(*i*) the amount realised by the film distributor by exhibiting the film on a commercial basis; or

(*ii*) the amount for which the rights of exhibition are sold; or

(*iii*) the aggregate of the amounts realised by the film distributor by exhibiting the film and by the sale of the rights of exhibition,

shall be allowed as a deduction in computing the profits and gains of such tax year and the balance, if any, shall be carried forward to the next following tax year and allowed as a deduction in that year.

(4) Where, during the tax year in which a feature film is acquired by the film distributor, and—

(*a*) he does not himself exhibit the film on a commercial basis; or

(*b*) does not sell the rights of exhibition of the film,

no deduction shall be allowed in respect of the cost of acquisition of the film in computing the profit and gains of such tax year and entire cost of acquisition shall be carried forward to the next following tax year and allowed as a deduction in that year.

(5) Irrespective of anything contained in sub-rules (1) to (4), the deduction under this rule shall not be allowed unless,—

(*a*) in a case, where the film distributor—

(*i*) has himself exhibited the feature film on a commercial basis; or

(*ii*) has sold the rights of exhibition of the feature film; or

(*iii*) has himself exhibited the feature film on a commercial basis in some areas and has sold the rights of exhibition of the feature film in respect of all or some of the remaining areas,

the amount realised by exhibiting the film, or the amount for which the rights of exhibition have been sold or, as the case may be, the aggregate of such amounts, is credited in the books of account maintained by him in respect of the year in which the deduction is admissible; and

(*b*) in a case, where the film distributor has transferred the rights of exhibition of the feature film on a minimum guarantee basis, the minimum amount guaranteed and the amount, if any, received or due in excess of the guaranteed amount or where the film distributor follows cash system of accounting, the amount received towards the minimum guarantee and the amount, if any, received in excess of the guaranteed amount, are credited in the books of account maintained by him in respect of the year in which the deduction is admissible.

(6) For the purposes of this rule,—

(*a*) the sale of the rights of exhibition of a feature film includes the lease of such rights or their transfer on a minimum guarantee basis;

(*b*) the rights of exhibition of a feature film shall be considered to have been sold only on the date when the positive prints of the film are delivered by the film distributor to the purchaser of such rights;

(*c*) distributor shall include a sub-distributor; and

(*d*) "cost of acquisition", in relation to a feature film, means the amount paid by the film distributor to the film producer or to another distributor under an agreement entered into by the film distributor with such film producer or such other distributor, as the case may be, for acquiring the rights of exhibition and, where the rights of exhibition have been acquired on a minimum guarantee basis, the minimum amount guaranteed, not being—

(*i*) the amount of expenditure incurred by the film distributor for the preparation of the positive prints of the film; and

(*ii*) the expenditure incurred by him in connection with the advertisement of the film.

Procedure for investment fund for availing benefit under section 9(12) read with Schedule I to Act.

274. (1) Where the investment in a fund has been made directly by an institutional entity, the number of members and the participation interest in such fund shall be determined by looking through the said entity, if it, —

(*a*) independently satisfies the conditions mentioned in paragraphs 1(1)(*c*), (*e*), (*f*) and (*g*) of Schedule I to the Act;
(*b*) has been set up solely for the purpose of pooling funds and investment thereof; and
(*c*) is resident of a country or specified territory with which an agreement referred to in section 159 has been entered into or is established or incorporated, or registered in a country or a specified territory notified by the Central Government in this behalf.

(2) A fund shall not be denied the benefit of being an eligible fund for the purposes of Schedule I to the Act, if, —

(*a*) non-fulfilment of any of the conditions specified in paragraphs 1(1)(*c*), (*d*) and (*e*) of the Schedule I to the Act, —
  (*i*) is for reasons beyond the control of the fund and it does not exceed a period of ninety days; or
  (*ii*) does not exceed a period of eighteen months, beginning from the date on which the fund is setup or is not beyond the final closing of the fund, whichever is earlier, and *bona fide* efforts are made to satisfy the conditions specified in the paragraph 1(1)(*c*), (*d*) and (*e*) of Schedule I to the Act; or
  (*iii*) is for the reason that the fund is in the process of being wound up and it does not exceed one year beginning from the date on which the process of winding up has begun; or
(*b*) there is delay in furnishing the statement referred to in paragraph 1(4) of Schedule I to the Act and such delay does not exceed a period of ninety days.

(3) For the purposes of paragraph 1(1)(*k*) of Schedule I to the Act, a fund shall be said to be controlling or managing a business carried out by any entity, if it directly or indirectly holds such rights which results in the fund holding more than 26% of the total share capital or voting power or interest in the entity, as the case may be.

(4) The amount of remuneration to be paid by the fund to a fund manager, referred to in paragraph 1(1)(*m*) of Schedule I to the Act, shall not be less than the amount calculated in the following manner: —

(*a*) where the fund is Category-I foreign portfolio investor referred to in item (*i*) or (*ii*) or (*iii*), and sub-item (*III*) of item (*iv*) of clause (*a*) of regulation of the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 made under the Securities and Exchange Board of India Act, 1992 (15 of 1992), the amount of remuneration shall be 0.10% of the asset under management; and
(*b*) in other cases, the amount of remuneration, shall be —
  (*i*) 0.30% of the asset under management; or
  (*ii*) 10% of profits derived by the fund in excess of the specified hurdle rate from the fund management activity undertaken by the fund manager,
  where it is entitled only to remuneration linked to the income or profits derived by the fund; or
(*iii*) 50% of the management fee, whether in the nature of fixed charge or linked to the income or profits derived by the fund from the management activity undertaken by the fund manager, paid by such fund in respect of the fund management activity undertaken by the fund manager, as reduced by the amount incurred towards operational expenses including distribution expenses, if any, where the fund is also making payment of management fee to any other fund manager.

(5) Where the amount of remuneration is lower than the amount arrived at under sub-rule (4), the fund may apply to the Member, Central Board of Direct Taxes referred to in rule 275(2), seeking approval of the Board under said rule for that lower amount to be the amount of remuneration and, upon receipt of such application, the Board if satisfied, considering the relevant facts, may approve such lower amount to be the amount of remuneration.

(6) Where an application is made under sub-rule (5), the provisions of rule 275(3) to (12) shall, *mutatis mutandis*, apply to the said application as they apply to application made under sub-rule (2) of the said rule.

(7) The fund manager shall, in addition to any report required to be furnished by it under section 172, obtain a report from the accountant, as defined in section 515(3)(*b*), in respect of activity undertaken for the fund and furnish such report on or before the specified date in Form No. 172, duly verified by such accountant in the manner indicated therein and all the provisions of the Act shall apply as if it is a report to be furnished under section 172.

(8) For the purposes of paragraph 1(3)(*a*) of Schedule I to the Act, a fund manager shall not be considered to be a connected person of the fund merely for the reason that the fund manager is undertaking fund management activity of the said fund.

(9) For the purposes of paragraph 1(3)(*d*) of Schedule I to the Act, any remuneration paid to the fund manager, by the fund, which is in the nature of fixed charge and not dependent on the income or profits derived by the fund from the fund management activity undertaken by the fund manager, shall not be included in the profits referred to in the said clause, if —

(*a*) the conditions specified in paragraph 1(1)(*m*) of Schedule I to the Act are satisfied; and
(*b*) such fixed charge has been agreed by the fund manager in writing at the beginning of the relevant fund management activity.

(10) For the purposes of this rule, —

(*a*) "asset under management" means the annual average of the monthly average of the opening and closing balances of the value of such part of the fund as managed by the fund manager;
(*b*) "management fee" means the amount as mentioned in the certificate obtained from an accountant as defined in rule 10(*a*), for this purpose; and
(*c*) "specified hurdle rate" means a pre-defined threshold beyond which the fund agrees to pay a share of the profits earned by the fund from the fund management activity undertaken by the fund manager.

Approval of the investment fund at its option for purposes of section 9(12).

275. (1) An investment fund, may at its option, seek approval of the Board regarding its eligibility for the purposes of section 9(12).

(2) The fund seeking approval, may make an application, in writing, enclosing relevant documents and evidence, to the Member, Central Board of Direct Taxes, having supervision and control over the work of Foreign Tax and Tax Research Division.

(3) The application referred to in sub-rule (2) shall be made three months before the beginning of the tax year for which the fund seeks the approval.

(4) The Board shall notify a committee headed by a Principal Chief Commissioner of Income-tax or Chief Commissioner of Income-tax and consisting of two other Income-tax authorities, not below the rank of Commissioner, to examine the application and submit recommendations regarding grant of approval or otherwise and the conditions thereof, if any, subject to which such approval is to be granted.

(5) The committee on behalf of the Board may, before giving its recommendation, call for such documents or information from the investment fund, the Income-tax authorities and other Departments or agencies, as it may deem fit.

(6) The Board, on the basis of the recommendations of the committee, shall, within two months from the end of the month in which the application has been made, —

(*a*) by an order in writing, grant approval to the fund subject to such conditions as it may deem fit; or
(*b*) for reasons to be recorded in writing, reject the application.

(7) The approval once granted, subject to any condition specified in this behalf, shall be applicable for the tax year referred to in sub-rule (3) and subsequent tax years, unless it is withdrawn by the Board.

(8) The benefit of section 9(12) shall not be denied to an eligible investment fund, which has been granted approval, for any tax year for which the approval is in force and has not been withdrawn.

(9) The Board may withdraw the approval granted to any fund, if it is satisfied that —

(*a*) the approval has been obtained on the basis of misrepresentation of facts or fraud; or
(*b*) the conditions mentioned in section 9(12) and Schedule I to the Act and the guidelines specified under paragraph 5 of the said Schedule are not fulfilled; or
(*c*) any condition, subject to which approval was granted, has been violated.

(10) No order rejecting the application or withdrawing the approval, shall be passed without giving a reasonable opportunity of being heard and such order shall be communicated to the —

(*a*) fund;
(*b*) the Assessing Officer; and
(*c*) the Principal Commissioner of Income-tax or the Commissioner of Income-tax having jurisdiction over the fund.

Statement to be furnished by eligible investment fund under section 9(12) read with Schedule I to the Act.

276. (1) The statement required under paragraph 1(4) of Schedule I to the Act shall be furnished to the Assessing Officer electronically under digital signature, for every financial year by the eligible investment fund in Form No. 173, duly verified in the manner indicated therein.

(2) The Assessing Officer referred to in sub-rule (1) shall be the Assessing Officer who has the jurisdiction over the fund or would have had the jurisdiction had the fund been assessable to tax in India but for the provisions of section 9(12).

Calculation of taxable interest relating to contribution in a provident fund or recognised provident fund, exceeding specified limit.

277. (1) Taxable interest under Schedule II [Table: Sl. Nos. 3 and 4. C] to the Act shall be computed as the interest accrued in the taxable contribution account during the tax year.

(2) For the purpose of calculation of taxable interest under sub-rule (1), separate accounts within the provident fund account shall be maintained during the tax year 2021-2022 and all subsequent tax years for taxable contribution and non-taxable contribution made by a person.

(3) For the purposes of this rule,—

(*a*) non-taxable contribution account shall be the aggregate of the following:—
  (*i*) closing balance in the account as on 31st March, 2021;
  (*ii*) any contribution made by the person in the account during the tax year 2021-2022 and subsequent tax years, which is not included in the taxable contribution account; and
  (*iii*) interest accrued on sub-clauses (*i*) and (*ii*),
  as reduced by the withdrawal, if any, from such account;

(*b*) taxable contribution account shall be the aggregate of the following:—
  (*i*) contribution made by the person in a tax year in the account during the tax year 2021-2022 and subsequent tax years, which is in excess of the threshold limit; and
  (*ii*) interest accrued on sub-clause (*i*),
  as reduced by the withdrawal, if any, from such account;

(*c*) "taxable interest" means the income by way of interest accrued during the tax year which is not exempt from inclusion in the total income of a person; and

(*d*) the threshold limit for the purposes of clause (*b*)(*i*) shall mean,—
  (*i*) Rs. 5,00,000 where no contribution is made by the employer of such person; and
  (*ii*) Rs. 2,50,000 in other cases.

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Conditions for purposes of Schedule III [Table: Sl. No. 8] to the Act.

278. (1) The amount exempted under Schedule III [Table: Sl. No. 8] to the Act in respect of the value of travel concession or assistance received by or due to the individual from his employer or former employer for himself and his family, in connection with his proceeding—

(*a*) on leave to any place in India; or

(*b*) to any place in India after retirement from service or after the termination of his service,

shall be the amount actually incurred on the performance of such travel, subject to the following conditions:—

(*i*) where the journey is performed by air, the amount shall not exceed the fare admissible for the class of travel to which the employee is entitled, by the shortest route to the place of destination;

(*ii*) where places of origin of journey and destination are connected by rail and the journey is performed by any mode of transport other than by air, an amount not exceeding the air-conditioned first-class rail fare by the shortest route to the place of destination; and

(*iii*) where the places of origin of journey and destination or part thereof are not connected by rail and the journey is performed between such places, the amount eligible for exemption shall be,—

(*A*) where a recognised public transport system exists, an amount not exceeding the 1st class or deluxe class fare, as the case may be, on such transport by the shortest route to the place of destination; and

(*B*) where no recognised public transport system exists, and no specific rates have been prescribed either by the Directorate of Transport of the concerned State or of any neighbouring State, an amount calculated at the rate of Rs. 30 per kilometre, for the distance of the journey by the shortest route shall be admissible.

(2) The exemption referred to in sub-rule (1) shall be available to an individual in respect of two journeys performed in a block of four calendar years commencing from the calendar year 2022.

(3) Where such travel concession or assistance is not availed of by the individual during any such block of four calendar years, an amount in respect of the value of the travel concession or assistance, if any, first availed of by the individual during first calendar year of the immediately succeeding block of four calendar years shall be eligible for exemption.

(4) The amount in respect of the value of the travel concession or assistance referred to in sub-rule (3) shall not be taken into account in determining the eligibility of the amount in respect of the value of the travel concession or assistance in relation to the number of journeys under sub-rule (2).

(5) The exemption referred to in sub-rule (1) shall not be available to more than two surviving children of an individual.

(6) The provisions of sub-rule (5) shall not apply in respect of children born before 1st October, 1998, and also in case of multiple births after one child.

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INCOME TAX DEPARTMENT

Limits for the purposes of Schedule III [Table: Sl. No. 11] to the Act.

279. (1) The amount, which is not to be included in the total income of an assessee in respect of the special allowance referred to in Schedule III [Table: Sl. No. 11] to the Act, shall be the least of the following:

(*a*) the actual amount of such allowance received by the assessee in respect of the relevant period; or

(*b*) the amount by which the expenditure actually incurred by the assessee in payment of rent in respect of residential accommodation occupied by him exceeds one-tenth of the amount of salary due to the assessee for the relevant period; or

(*c*) in case of an assessee employed in the location mentioned in column B of the following Table, an amount equal to such percentage of salary, mentioned in column C thereof, due to the assessee in respect of the relevant period:—

TABLE

Sl. No.	*Location of residential accommodation*	*Percentage of salary*
A	*B*	*C*
1.	Mumbai, Kolkata, Delhi, Chennai, Hyderabad, Pune, Ahmedabad and Bengaluru.	50%
2.	Any other place.	40%

(2) In this rule,—

(*a*) "relevant period" means the period during which the said accommodation was occupied by the assessee during the tax year; and

(*b*) "salary" includes dearness allowance, if provided for under the terms of employment, but excludes all other allowances and perquisites.

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INCOME TAX DEPARTMENT

Allowances for purposes of Schedule III [Table: Sl. Nos. 12 and 13] to the Act.

280. (1) The following, by whatever name called, shall be the allowances for the purposes of Schedule III [Table: Sl. No. 12] to the Act:—

(*a*) any allowance granted to meet the cost of travel on tour or on transfer; or

(*b*) any sum paid in connection with transfer, packing and transportation of personal effects on such transfer; or

(*c*) any allowance, whether granted on tour or for the period of journey in connection with transfer, to meet the ordinary daily charges incurred by an employee on account of absence from his normal place of duty; or

(*d*) any allowance granted to meet the expenditure incurred on conveyance in performance of duties of an office or employment of profit where no free conveyance is provided by the employer; or

(*e*) any allowance granted to meet the expenditure incurred on a helper where such helper is engaged for the performance of the duties of an office or employment of profit; or

(*f*) any allowance granted for encouraging the academic, research and training pursuits in educational and research institutions; or

(*g*) any allowance granted to meet the expenditure incurred on the purchase or maintenance of uniform for wear during the performance of the duties of an office or employment of profit.

(2) The following, by whatever name called, shall be the allowances for the purposes of Schedule III [Table: Sl. No. 13] to the Act and the extent thereof shall be the following:—

Sl. No.	*Name of allowance*	*Place at which allowance is exempt*	*Extent to which allowance is exempt*
A	*B*	*C*	*D*

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1.	Any Special Compensatory (Remote Locality) Allowance Places covered under Tough Location Allowance-I.	(*a*)	*Andaman and Nicobar Islands:* Middle Andamans, North Andaman, Little Andaman, South Andaman (including Port Blair), Nicobar and Narcondum islands.	Rs. 7,000 per month, when not claimed exemption mentioned at Sl. No. 4, 5 or 9.
		(*b*)	Throughout *Arunachal Pradesh*	
		(*c*)	*Himachal Pradesh* (*i*) *Chamba District* (A) Pangi Tehsil (B) Bharmour Tehsil. (*ii*) *Kinnaur District.* (*iii*) *Kangra District;* Areas of Bara Bhagal and Chhota Bhangal. (*iv*) *Kullu District;* 15/20 Area of Nirmand Tehsil, comprising the Gram Panchayats of Kharga, Kushwar and Sarga. (*v*) *Lahaul and Spiti District;* Entire area of Lahaul and Spiti. (*vi*) *Shimla District;* (*A*) 15/20 Area of Rampur Tehsil Comprising of Panchayats of Kott, Labana-Sadana, Sarpara and Chandi-Branda. (*B*) Dodra-Kawar Tehsil. (*C*) Gram Panchayats of Darkali in Rampur, Kashapath Tehsil and Munish. (*D*) Ghori Chaibis of Pargana Sarahan.	
		(*d*)	*Jammu and Kashmir and Ladakh* (*i*) *Kathua District;* Niabat Bani, Lohi, Malhar and Macchodi. (*ii*) *Udhampur District:* (*A*) Dudu Basantgarh, Lander Bhamag illaqa, Thakrakote and Nagote. (*B*) All areas in Mahore Tehsil. Areas up to Goel from Kamban side and Areas upto Arnas from Keasi side in Tehsil Mahore. (*iii*) *Doda District:* Illaqas of Padder and Niabat Nowgam in Kashmire Tehsil. (*iv*) *Leh District:* (*A*) Noyama and Nobre. (*B*) Zanskar. (*C*) All other places in the District. (*v*) *Baramulla District:* Entire Gurez-Nirabat, Tangdar Sub-division and Keran Illaqa. Matchill.	
		(*e*)	*Lakshadweep:* Entire Union territory.	
		(*f*)	*Mizoram:* Chimptuipui District and Lunglei District.	
		(*g*)	*Sikkim:* Entire State.	
		(*h*)	*Uttarakhand:* Areas under Chamoli, Pithoragarh, Uttarkashi, Rudraprayag and Champavat Districts.	
		(*i*)	*Nagaland:* Throughout Nagaland.	

		(*j*)	*Tripura:* Difficult areas of Tripura.	

2.	Any Special Compensatory (Remote Locality) Allowance - Places covered under Tough Location Allowance-II.	(*a*) *Himachal Pradesh*		Rs. 4,500 per month, when not claimed exemption mentioned at Sl. No. 4, 5 or 9.

(*i*) *Chamba District:*

(*A*)	Jhandru Panchayat in Bhartiyat Tehsil,
(*B*)	Churah Tehsil
(*C*)	Dalhousie Town (including Banikhet proper)

(*ii*) *Kullu District:*

(*A*)	Outer Seraj (excluding Villages of Jakat-Khana and Burow in Nirmand Tehsil).
(*B*)	Entire District (excluding outer Seraj area and Pargana of Pandrabis but including villages Jakat-Khana and Burao of Tehsil Nirmand).

(*iii*) *Mandi District:*

(*A*)	Chhuhar Valley (Jogindernagar Tehsil)
(*B*)	Following Panchayats in Thunag Tehsil: Bagraa, Chhatri, Chhotdhar, Daragushain, Gatoo, Gharyas, Janjheli, Jaryar, Johar Kalhani Kalwan, Kholanal, Loth, Silibagi, Samachan, Thachdhar, Tachi and Thana.
(*C*)	Following Panchayats of Dharampur Block: Binga, Kamlah, Saklana, Tanyar and Tarakholah
(*D*)	Following Panchayats of Karsog Tehsil; Balidhar, Bagra, Gopalpur, Khajol, Mahog, Mehudi, Manj, Pekhi, Sainj, Sarahan and Teban.
(*E*)	Following Panchayats of Sundernagar Tehsil: Bohi, Batwara, Dhanyara, Paura-Kothi, Seri and Shoja.

(*iv*) *Kangra District:*

(*A*) Dharamshala Town and the following offices located outside its Municipal limits but included in Dharamsala Town for purposes of eligibility to Special Compensatory (Remote Locality) Allowance:

I.	Women's Industrial Training Institute, Dari.
II.	Mechanical Workshop, Ramnagar.
III.	Child Welfare and Town and Country Planning Offices, Sakoh.
IV.	CRFS Office at lower Sakoh.
V.	Kangra Milk Supply Scheme, Dugiar.
VI.	Himachal Road Transport Corporation Workshop, Sudher.
VII.	Zonal Malaria Office, Dari.
VIII.	Forest Corporation Office, Shamnagar.
IX.	Tea Factory, Dari.
X.	Irrigation and Public Health Sub-division, Dari.
XI.	Settlement office, Shamnagar.
XII.	Binwa Project, Shamnagar.

(*B*) Palampur Town, including Himachal Pradesh Krishi Vishvavidyalaya Campus at Palampur and the following offices located outside its Municipal limits but included in Palmapur Town for this purpose:

(*A*)	H.P. Krishi Vishvavidyalaya campus.
(*B*)	Cattle Development Office/Jersey Farm, Banuri
(*C*)	Sericulture Office/Indo-German Agriculture Workshop/HPPWD Division, Bundla.
(*D*)	Electrical Sub-Division, Lohna.
(*E*)	D.P.O. Corporation, Bundla.
(*F*)	Electrical HPSE Division, Ghuggar.

(*v*) *Shimla District:*

(*A*)

(*I*)	Chopal Tehsil.
(*II*)	(*i*) Ghoris, Panjgaon, Patsnau, Naubis and Teen Koti of Pargana Sarahan.
	(*ii*) Deothi Gram Panchayat of Taklesh Area.
	(*iii*) Pargana Barabis.
	(*iv*) Kasba Rampur and Ghori Nog of Pargana Rampur of Rampur Tehsil.

(*B*) Shimla Town and its suburbs (Dhalli, Jatog, Kasumpti, Mashobra, Taradevi and Tutu).

			(*vi*)	*Sirmaur District*		
				(*A*)	Following Panchayats: (*i*) Bani, Bakhali (Pachhad Tehsil). (*ii*) Bharog, Bheneri (Paonta Tehsil). (*iii*) Birla (Nahan Tehsil). (*iv*) Dibber (Pachhad Tehsil). (*v*) Thana Kasoga (Nahan Tehsil).	
				(*B*)	Thansgiri Tract.	
			(*vii*)	Solan District Mangal Panchayat.		
		(*b*)	*Jammu and Kashmir; and Ladakh*			
			(*i*)	Areas in Poonch and Rajouri Districts excluding the towns of Poonch and Rajouri and Sunderbani and other Urban areas in the two districts.		
			(*ii*)	Areas not included in Table: Sl. No. 1 and clause (*b*)(*i*) but which are within a distance of 8 km from the line of actual control or at places which may be declared as qualifying for Border Allowance from time to time by the State Government for their own staff.		
		(*c*)	*Manipur:* Entire State.			
		(*d*)	*Mizoram:* Entire Aizwal District.			
		(*e*)	*Tripura:* Entire State other than areas included in Table: Sl. No. 1.			
3.	Any Special Compensatory (Remote Locality) Allowance, - Places covered under Tough Location Allowance-III.	(*a*)	*Himachal Pradesh:* The remaining areas of Himachal Pradesh not included in Sl. Nos. 1 and 2.			Rs. 1500 per month, when not claimed exemption mentioned at Sl. No. 4 and 5 or 9.
		(*b*)	*Meghalaya:* Entire State covered in Meghalaya.			
		(*c*)	*Assam:* Entire State covered in Assam.			
		(*d*)	*West Bengal:* Working in Sundarban areas of South Dampier Hodge's line, namely, Bhagatush Khali (Rampura), Kumirmari (Bagna), Jhinga Khali, Sajnakhali, Gosaba, Amlamathi (Bidya), Canning, Kultali, Piyali, Nalgaraha, Raidighi, Bhanchi, Pather Partima, Bhagabatpur, Saptmukhi, Namkhana, Sikarpur, Kakdwip, Sagar, Mausini, Kalinagar, Haroa, Hingalganj, Basanti, Kuemari, Kultola, and Ghusighata (Kulti) area.			
		(*e*)	Scheduled tribal area and bad climate areas in States where Scheduled tribal area allowance and bad climate allowance is admissible by the order of State Governments.			

4.	Compensatory Field Area Allowance.	(*a*)	Following areas in *Arunachal Pradesh* :—		Rs. 13,500 per month.
			(*i*)	Tirap and Changlang Districts;	
			(*ii*)	All areas North of line joining point 4448 in LZ 4179-Nukme Dong MS 3272-Sepla MT 2969-Palin MO 9213-Daporijo NR 5841-Along NL 1273-Hunli NM 3196-Tidding Tuwi MT 6369-Hayuliang NN 0170-Tawaken MT 8136-Champai Bun NM 8814, all inclusive.	
		(*b*)	Throughout *Manipur and Nagaland*.		
		(*c*)	Following areas in *Sikkim* :— All areas North and North East of line joining Phalut LV 4750-Gezing LV 7059-Mangkha LV 6160-Penlang La LW 0666-Rangli LW 1448-BP 1 in LW 2453 on Indo-Bhutan Border, all inclusive.		
		(*d*)	Following areas in *Himachal Pradesh* : All areas East of line joining Umasila NV 3951-Udaipur NY 8663-Manikaran SB 2300-Pir Parbati Pass TA 1459-Taranda TA 2335-Barasua Pass TA 8801, all inclusive.		
		(*e*)	Following areas in *Uttarakhand* :— All areas North and North-East of line joining Barasua (Pass Gangnani TG 1362-Govind Ghat TG 0937-Tapovan TH 1822-Musiari (TN 8982-Relagad TO 2466, all inclusive.		
		(*f*)	Following areas in *Jammu and Kashmir* and *Ladakh*:—		
			(*i*)	Areas North and East of line joining Zojila MU 3036-Baralachala NE 6672 along the Great Himalayan Range, all inclusive.	
			(*ii*)	All areas West of line joining point 1556 in NR 5470-Gulmarg MT 3105-Naushara MY 3105-Ringapat MT 2133-Handwara MT 2043-Laingyal MT 2339-Point 8405 in NG 4565-North of line joining point 8403-Bunakut MT 5453-Razan NN 2239-Zojila, all inclusive;	
			(*iii*)	All areas West of line joining tip of Chicken Neck RD 7073-Canal junction RD 6364-Mawa Brahmana RD 6183-Chauki RD 6393-Road junction RD 6499-Baramgala MY 3854-Point 1556 in NR 5470, all inclusive.	

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5.	Compensatory Modified Field Area Allowance.	(*a*)	Following areas in *Punjab and Rajasthan*:— Areas West of line joining Jessai, Barmer, Jaisalmer, Pokharan, Udasar, Mahajan Ranges, Suratgarh, Lalgarh, Jattan, Abohar, Govindgarh, Fazilka, Jandiala Guru, Moga, Dholewal, Deas, Bir Sarangwal, Hussainiwala, Dera Baba Nanak, Laisain pulge upto the international border, all inclusive.	Rs. 8,000 per month.
		(*b*)	Following area in *Haryana* :— Satrod (Hissar).	
		(*c*)	Following areas in *Himachal Pradesh* :— Areas North of line joining Narkhanda, Keylong upto field area line and high-altitude line.	
		(*d*)	Following areas in *Arunachal Pradesh* and *Assam* :—	
			(*i*) Cachar and North Cachar Districts of Assam including Silchar;	
			(*ii*) All areas of Arunachal Pradesh and Assam North of river Brahmaputra except Tejpur -Misamari and Field Areas.	
		(*e*)	Throughout *Mizoram and Tripura*.	
		(*f*)	Following areas in *Sikkim and West Bengal* :— Areas Northwards of line joining Sevoke LV 9112-Burdong LV 985-Sherwani LV 9453 -Bagrakot LW 0113-Damdim LW 1109-New Mal-Hasimara-QB 7894 Ganga Ram Tea Estate QA 1377 upto the High Altitude line/field area line/international border, all inclusive.	
		(*g*)	Following areas in *Uttarakhand* :— Areas North of line joining Uttarkashi, Karan Prayag, Gauchar, Joshimath, Chamoli, Rudra Prayag, Askote, Charamgad, Dharchula, Kausani and Narendra Nagar upto international border, all inclusive.	
		(*h*)	Following areas in *Jammu and Kashmir* :—	
			(*i*) Areas West of line joining Pattan, Baramulla, Kupwara, Drugmula, Panges, Mankes, Buniyar, Pantha Chowk, Khanabal, Anantnag, Khundru and Khru upto the existing High altitude line, all inclusive.	
			(*ii*) Areas West of line joining - BP-19, Brahmanadi- Bari, Jindra, Dhansal, Katra, Sanjhi Chatt, Batote, Patnitop, Ramban and Banihal upto the existing High altitude line, all inclusive.	
6.	Any allowance granted to an employee working in any transport system to meet his personal expenditure during his duty performed in the course of running of such transport from one place to another place, where such employee is not in receipt of daily allowance.	Whole of India.		70% of such allowance up to a maximum of Rs. 25,000 per month.
7.	Children Education Allowance.	Whole of India.		Rs. 3,000 per month per child up to a maximum of two children.
8.	Any allowance granted to an employee to meet the hostel expenditure on his child.	Whole of India.		Rs. 9,000 per month per child up to a maximum of two children.
9.	Any special allowance in the nature of counter-insurgency allowance granted to the members of armed forces operating in areas away from their permanent locations.	Whole of India.		Rs. 22,000 per month.
10.	Transport allowance granted to an employee, who is blind or deaf and dumb or orthopaedically handicapped with disability of lower or upper extremities, to meet his expenditure for the purpose of commuting between the place of his residence and the place of his duty.	Whole of India.		(*i*) Metro Cities: Rs. 15,000 plus dearness allowance thereon per month. (*ii*) Other Cities: Rs. 8,000 dearness allowance thereon per month.

11.	Any special allowance in the nature of high altitude (uncongenial climate) allowance granted to the member of the armed forces operating in high altitude areas.	(*a*) For altitude of 9,000 to 15,000 feet and altitude below 9000 feet with uncongenial climate. (*b*) For altitude above 15,000 feet. (*c*) All locations of Union territories of Jammu and Kashmir, and Ladakh, and the States of Sikkim and Uttarakhand.	Rs. 4,500 per month. Rs. 7,000 per month. Rs. 30,000 per month.
12.	Underground allowance granted to an employee who is working in uncongenial, unnatural climate in underground mines.	Whole of India.	15% of Basic Pay.
13.	Any special allowance granted to the members of the armed forces in the nature of special compensatory highly active field area allowance.	Whole of India	Rs. 22,000 per month.
14.	Any special allowance granted to the member of the armed forces in the nature of Island (duty) allowance or Island Special Duty Allowance.	(*a*) Areas Around the Capital Town (Port Blair, Kavaratti and Agatti) (*b*) Difficult Areas-North and Middle Andaman, South Andaman, Excluding Port Blair, Entire Lakshadweep except Kavaratti, Agatti and Minicoy. (*c*) More Difficult Areas - Little Andaman, Nicobar group of Islands, Narcodum Islands, East Islands and Minicoy.	10% of basic pay. 16% of basic pay. 20% of basic pay.
15.	Siachen Allowance granted to the members of the armed forces.	Siachen area of Ladakh.	Rs. 42,500 per month.

(3) An employee, being an assessee, who has exercised an option under section 202(4) shall be entitled to exemption only in respect of allowances mentioned in sub-rule (1)(*a*) to (*d*) and in sub-rule (2) [Table: Sl. No. 10], to the extent and subject to the conditions, if any, specified therein.

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Circumstances and conditions for purposes of Schedule III [Table: Sl. No. 16] to the Act.

281. (1) For the purposes of Schedule III (Table: Sl. No. 16) to the Act, the circumstances of death of a member of the armed forces (including para-military forces) of the Union in the course of operational duties shall be the following:—

(*a*) acts of violence or kidnapping or attacks by terrorists or anti-social elements; or
(*b*) action against extremists or anti-social elements; or
(*c*) enemy action in international war; or
(*d*) action during deployment with a peace keeping mission abroad; or
(*e*) border skirmishes; or
(*f*) laying or clearance of mines including enemy mines including mine sweeping operations; or
(*g*) explosions of mines while laying operationally oriented mine-fields or lifting or negotiating mine-fields laid by the enemy or own forces in operational areas near international borders or the line of control; or
(*h*) in the aid of civil power in dealing with natural calamities and rescue operations; and
(*i*) in the aid of civil power in quelling agitation or riots or revolts by demonstrators.

(2) The Head of the Department, where the deceased member of the armed forces (including para-military forces) last served, or the service headquarters, shall certify that the death of such member occurred in the course of operational duties in circumstances as mentioned in sub-rule (1).

Notification of pension fund and other conditions to be satisfied by the pension fund.

282. (1) The pension fund mentioned in Schedule V [Table: Sl. No. 7. Note 5(*a*)(*iii*)] to the Act shall be required to satisfy the following other conditions: —

(*a*) it shall be regulated under the law of a foreign country including the laws made by any of its political constituents being a province, State or local body, by whatever name called, under which it is created or established, as the case may be;

(*b*) it shall be responsible for administering or investing the assets for meeting the statutory obligations and defined contributions of one or more funds or plans established for providing retirement, social security, employment, disability, death benefits or any similar compensation to the participants or beneficiaries of such funds or plans, as the case may be;

(*c*) the condition in clause (*b*) shall be deemed to have been satisfied with respect to assets being administered or invested, if the following conditions are satisfied: —

(*i*) value of such assets is not more than 10% of the total value of the assets administered or invested by such fund;

(*ii*) such assets are wholly owned directly or indirectly by the Government of a foreign country; and

(*iii*) such assets vests in the Government of such foreign country upon dissolution;

(*d*) the earnings and assets of the pension fund are used only for meeting statutory obligations and defined contributions for participants or beneficiaries of funds or plans referred to in clause (*b*) and no portion of the earnings or assets of the pension fund inures any benefit to any other private person;

(*e*) the provisions of clause (*d*) shall not apply to any payment made to creditors or depositors for loan taken or borrowing for the purposes other than for making investment in India;

(*f*) the provisions of clause (*d*) shall not apply to earning from the assets referred to in clause (*c*), if the said earning are credited either to the account of the Government of that foreign country or to any other account designated by such Government so that no portion of the earnings inures any benefit to any private person;

(*g*) it shall intimate the details in respect of each investment made by it in India during the quarter within one month from the end of the quarter in Form No. 175;

(*h*) it shall file return of income on or before the due date specified under section 263(1)(*c*) and furnish a compliance certificate in Form No. 176 from an accountant as defined in section 515(3)(*b*) along with such return; and

(*i*) the expression loans and borrowings mentioned in this sub-rule shall have the meaning assigned to them in Schedule V [Table: Sl. No. 7. Note 5(*c*)] to the Act.

(2) For the purposes of notification under Schedule V [Table: Sl. No. 7. Note 5(*a*)(*iii*)(*D*)] to the Act, the pension fund shall make an application in Form No. 174 enclosing therewith relevant documents and evidence, to the Member, Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, New Delhi having supervision and control over the work of Foreign Tax and Tax Research Division.

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Computation of minimum investment and exempt income for purposes of Schedule V [Table: Sl. No. 7] to Act.

283. (1) For the purposes of Schedule V [Table: Sl. No. 7] to the Act, the percentages referred to in Notes 5(*e*), (*f*) and (*g*) of the said Table, and the exempt income referred to in clauses (*e*), (*f*) and (*g*) of column D thereof shall be calculated in accordance with this rule.

(2) (*a*) The percentage referred to in Schedule V [Table: Sl. No. 7. Note 5(*e*)] to the Act shall be calculated in the following manner: —

$$\frac{(A+B+C)}{D} \times 100$$

Where, —

A = aggregate of eligible investments, appearing in the balance sheet of the eligible Alternative Investment Fund as on the last date of all the financial years starting from the financial year 2021-2022 and ending on the financial year immediately preceding the relevant tax year, made in one or more eligible infrastructure entity or in an eligible InvIT;

B = aggregate of eligible investments, appearing in the balance sheet of the eligible Alternative Investment Fund as on the last date of all the financial years starting from the financial year 2021-2022 and ending on the financial year immediately preceding the relevant tax year, made in one or more eligible domestic companies, multiplied by the percentage for those domestic company or companies determined in accordance with sub-rule (3);

C = aggregate of eligible investments appearing in the balance sheet of the eligible Alternative Investment Fund as on the last date of all the financial years starting from the financial year 2021-2022 and ending on the financial year immediately preceding the relevant tax year, made in one or more eligible Non-Banking Financial Companies, multiplied by the percentage for those non-banking financial company or companies determined in accordance with sub-rule (4); and

D = aggregate of eligible investments appearing in the balance sheet of the eligible Alternative Investment Fund as on the last date of all the financial years starting from the financial year 2021-2022 and ending on the financial year immediately preceding the relevant tax year;

(*b*) in a case, where the relevant tax year is the year in which the first investment is made by the eligible Alternative Investment Fund, the above amounts shall be calculated using the aggregate of eligible investments, appearing in its balance sheet of the relevant tax year as on the last date of that year; and

(*c*) for the purposes of this sub-rule, the amounts A, B and C shall also include eligible investments which may not be includible in these amounts as on the date of calculation but would have been included if the calculation was carried out anytime within three months after the date of receipt of such eligible investments by the eligible Alternative Investment Fund.

(3) (*a*) The percentage referred to in Schedule V [Table: Sl. No. 7. Note 5(*f*)] to the Act shall be calculated in the following manner:—

$$\frac{E}{F} \times 100$$

Where, —

E = aggregate of eligible investments, appearing in the balance sheet of the eligible domestic company as on the last date of all the financial years starting from the financial year 2021-2022 and ending on the financial year immediately preceding the relevant tax year, made in one or more eligible infrastructure entity; and

F = aggregate of eligible investments appearing in the balance sheet of the eligible domestic company as on the last date of all the financial years starting from the financial year 2021-2022 and ending on the financial year immediately preceding the relevant tax year;

(*b*) in a case, where the relevant tax year is the year in which the first investment is made by the eligible domestic company, the above amounts shall be calculated using the aggregate of eligible investments, appearing in its balance sheet of the relevant tax year as on the last date of that year; and

(*c*) for the purposes of this sub-rule, the amount E shall also include eligible investments which may not be includible in these amounts as on the date of calculation but would have been included if the calculation was carried out anytime within three months after the date of receipt of such eligible investments by the eligible domestic company.

(4) (*a*) The percentage referred to in Schedule V [Table: Sl. No. 7. Note 5(*g*)] to the Act shall be calculated in the following manner: —

$$\frac{G}{H} \times 100$$

Where, —

G = aggregate of eligible lending, appearing in the balance sheet of the eligible Non-Banking Financial Company as on the last date of all the financial years starting from the financial year 2021-2022 and ending with the financial year immediately preceding the relevant tax year, made to one or more eligible infrastructure entity; and

H = aggregate of eligible lending appearing in the balance sheet of the eligible Non-Banking Financial Company as on the last date of all the financial years starting from the financial year 2021-2022 and ending on the financial year immediately preceding the relevant tax year;

(*b*) in a case, where the relevant tax year is the year in which the first debt or loan is extended by the eligible Non-Banking Financial Company, the above amounts shall be calculated using the aggregate of eligible lending appearing in its balance sheet of the relevant tax year as on the last date of that year

(5) For the purposes of sub-rules (2), (3) and (4), the percentages referred therein for the relevant tax year 2031-2032 and for subsequent relevant tax years shall be deemed to have been satisfied if the same is satisfied for the relevant tax year 2030-2031.

(6) For the purposes of exempt income referred to in Schedule V [Table: Sl. No. 7.D(*e*)] to the Act, —

(*a*) the income accrued or arisen or attributed to, or received by the specified person, who is a unit holder of an eligible Alternative Investment Fund, out of investment made in that fund, shall be chargeable to income-tax in the same manner as if it were the income accrued or arisen or attributed to, or received by, such person had the investment made by such investment fund been made directly by him;

(*b*) the calculation of exempt income of the specified person arising from the investment in such fund during the relevant tax year shall be made in the following manner:—

I+J+K+L

Where, —

I = income accrued or arisen or attributed or received during the relevant tax year, computed in accordance with the provisions of the Act, from the eligible investments made by the eligible Alternative Investment Fund in eligible infrastructure entity, out of any investment made by the specified person on or after the date of notification of the specified person under the said clause;

J = income accrued or arisen or attributed or received during the relevant tax year, computed in accordance with the provisions of the Act, from the investments made by the eligible Alternative Investment Fund in one or more eligible domestic companies, out of any investment made by the specified person multiplied by N and divided by O, where N and O shall have the value assigned to them in sub-rule (7) for each of such domestic company;

K = income accrued or arisen or attributed or received during the relevant tax year, computed in accordance with the provisions of the Act, from the investments made by the eligible Alternative Investment Fund in one or more eligible Non-Banking Financial Companies, out of any investment made by the specified person multiplied by Q and divided by R, where Q and R shall have the value assigned to them in sub-rule (8) for each such non-banking financial company; and

L = income accrued or arisen or attributed or received during the relevant tax year, computed in accordance with the provisions of the Act, from the eligible investments made by the eligible Alternative Investment Fund in eligible InvIT, out of any investment made by the specified person on or after the date of notification of the specified person under the said clause.

(7) For the purposes of Schedule V [Table: Sl. No. 7.D(*f*)] to the Act, the exempt income during the relevant tax year shall be calculated in the following manner: —

$$\frac{M}{O} \times N$$

Where, —

M = income accrued or arisen or attributed or received during the relevant tax year, computed in accordance with the provisions of the Act, from the investment made by the specified person in one or more eligible domestic companies;

N = aggregate of eligible investments, appearing in the balance sheet of the eligible domestic company as on the last date of the tax year immediately preceding the relevant tax year (last date of the relevant tax year, if eligible investment has been made during the relevant tax year for the first time), made by eligible domestic company in one or more eligible infrastructure entity, out of investment made by the specified person on or after the date of notification of the specified person under the said clause; and

O = aggregate of investments, appearing in the balance sheet of the eligible domestic company as on the last date of the tax year immediately preceding the relevant tax year (last date of the relevant tax year, if eligible investment has been made during the relevant tax year for the first time), out of any investment made by the specified person.

(8) For the purposes of Schedule V [Table: Sl. No. 7.D(*g*)] to the Act, the exempt income during the relevant tax year shall be calculated in the following manner: —

$$\frac{P}{R} \times Q$$

Where, —

P = income accrued or arisen or attributed or received during the relevant tax year, computed in accordance with the provisions of the Act, from the investment made by the specified person in one or more eligible Non-Banking Financial Companies;

Q = aggregate of eligible lending appearing in the balance sheet of the eligible Non-Banking Financial Company as on the last date of the tax year immediately preceding the relevant tax year (last date of the relevant tax year, if eligible lending has been made during the relevant tax year for the first time) made by eligible Non-Banking Financial Company to one or more eligible infrastructure entity, out of any investment made by the specified person on or after the date of notification of the specified person under the said clause; and

R = aggregate of lending appearing in the balance sheet of the eligible Non-Banking Financial Company as on the last date of the tax year immediately preceding the relevant tax year (last date of the relevant tax year, if eligible lending has been made during the relevant tax year for the first time) out of any investment made by the specified person.

(9) Every eligible Alternative Investment Fund, eligible domestic company and eligible Non-Banking Financial Company, which has received funds from any specified person, either directly or through eligible Alternative Investment Fund, shall furnish the details of funds received from specified persons in Form No. 177 for each tax year during which such funds or any part thereof remains invested in such Alternative Investment Fund, domestic company and non-banking finance company.